

MEETING NO. 3240
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, JUNE 20, 2019

09:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Shawn Battle	Ex/Officio Trustee/Fire Prevention Chief/Mayoral Designee
Michael F. Berent	Elected Trustee/Fire
Mark Diaz	Elected Trustee/Police
Matthew Gnatek	Elected Trustee/Police
Angela R. James	Ex/Officio Retiree Trustee/Police/Mayoral Designee
Christa Mclellan	Ex/Officio Trustee/Treasurer
Megan S. Moslimani	Ex/Officio Trustee/Corporation Counsel /Vice-Chairperson
John Naglick Jr.	Ex/Officio Trustee/Finance Director
George Orzech	Elected Retiree Trustee/Fire *(via telephone)*
Jeffrey Pegg	Elected Trustee/Fire/Chairperson
John Serda	Elected Trustee/Police
Gregory Trozak	Elected Retiree Trustee/Police
Steven Watson	Ex/Officio Trustee/Director of Forecasting and Economic Analysis-Budget Department/Budget Director's Designee

TRUSTEES EXCUSED

Brenda Jones	Ex/Officio Trustee/City Council President
Dean Pincheck	Elected Trustee/Fire
Portia Roberson	Ex/Officio Trustee/Mayoral Alternate

ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Ronald King	General Counsel
TaKneisha Johnson	Administrative Assistant IV
Dr. Oscar King III	Board Lobbyist
Bruce Babiarz	Public Relations Advisor

STAFF EXCUSED

None

CHAIRPERSON

JEFFREY PEGG

A verbal Roll Call commenced at 09:12 a.m. and Chairperson Pegg called the meeting to order.

Present at Roll Call: *Shawn Battle, Michael Berent, Mark Diaz, Matthew Gnatek, Christa Mclellan, John Naglick, *George Orzech (via telephone) and Gregory Trozak*

**Trustees do not vote via phone.*

Re: Approval of June 20, 2019 Agenda

Matthew Gnatek moved to approve the agenda dated **Thursday June 20th, 2019**. Michael Berent supported. The motion passed unanimously.

Re: Approval of DROP Retirement Applications

Matthew Gnatek moved to approve the **DROP Retirements** as listed below. Christa Mclellan supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Melanie M. Armstrong - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 02 16 – 05 24 19
NAME, TITLE, DEPARTMENT	James D. Ronan - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	16 02 12 – 05 21 19
NAME, TITLE, DEPARTMENT	Gregory D. Smith - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 04 00 – 05 22 19
NAME, TITLE, DEPARTMENT	John T. Widmer – Police Lieutenant - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	18 01 10 – 05 23 19

➤ ***Trustee Angela James entered the Boardroom at 9:14 a.m.***

Re: Approval of RETIREMENT Applications

Gregory Trozak moved to approve the **RETIREMENTS** as listed below.
Matthew Gnatke supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Duncan Dorsey - Police Officer - Police Service - New
RETIREMENT TYPE-PLAN	
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 03 28 19
NAME, TITLE, DEPARTMENT	Ronald R. Dowgiallo – Fire Fighter - Fire Conversion from Duty Disability Type 35 - New
RETIREMENT TYPE-PLAN	
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 12 19 18
NAME, TITLE, DEPARTMENT	Charlotte A. Hoggatt – Police Officer – Police – Conversion from Duty Disability - Type 35 - New
RETIREMENT TYPE-PLAN	
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 07 07 18
NAME, TITLE, DEPARTMENT	Charles A. Leonard – Police Sergeant - Police
RETIREMENT TYPE-PLAN	
SERVICE CREDIT-EFFECTIVE DATE	25 00 00 – 05 02 19

Re: Approval of HYBRID Applications

Mark Diaz moved to approve the **HYBRID RETIREMENTS** as listed below.
Matthew Gnatke supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	John T. Widmer – Po Off-Promt Lst - Police Hybrid - Drop
RETIREMENT TYPE-PLAN	
SERVICE CREDIT-EFFECTIVE DATE	04 11 00 – 05 23 19

POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3240
JUNE 20, 2019

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts			Cash Account:	HYBLIORES		
Company:	RSCD-PFRS		Start Date:	5/14/2019		
			End Date:	6/17/2019		
Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
5/31/2019	CA	Cash Entry	001361	Pre tax Pension Contributions 5-31-19	R/C	95,732.82
5/31/2019	GL		008323	Post tax Annuity Contributions 5-31-19		6,867.03
6/7/2019	CA	Cash Entry	001374	Mandatory Pension Contributions 6-7-19	R/C	270,216.78
6/7/2019	GL		008375	Post Tax Annuity Contributions 6-7-19		8,668.26
						<u>381,484.89</u>
Cash Receipts			Cash Account:	LIQUID RES		
Company:	RSCD-PFRS		Start Date:	5/14/2019		
			End Date:	6/17/2019		
Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
5/30/2019	CA	Cash Entry	001362	Loan Deduction Program 5-24-19 (\$75,883.35)	R/C	75,883.36
6/3/2019	CA	Cash Entry	001363	Loan Deduction Program 5-31-19 (\$25,019.61)	R/C	25,019.61
						<u>100,902.97</u>
Total Receipts						<u>482,387.86</u>

POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3240
JUNE 20, 2019

Re: Approval of Disbursements

Mark Diaz moved to approve the **Disbursement List** as outlined below.
Matthew Gnatke supported. The motion passed unanimously.

Disbursement Report

Page: 1 of 1
Date: 6/17/2019 7:46 AM

Account	Payment Method	Currency	
LIQUID RES	Wire Transfer		
Vendor Name		Invoice Number	Invoice Description
CRESCENT DIRECT LENDING LEVERED FUND II LP	062519	Capital Call	1,636,559.00
HL - Platinum Equity Capital Partners IV, LP	062019	Capital Call	1,302,000.00
		Cash Account/Payment Method Total:	2 Documents
			2,938,559.00
HUNT VEND	ACH	US	
Vendor Name		Invoice Number	Invoice Description
500 WEBWARD LLC	979904	Electrical Billing: 4/29/19-5/30/19, Meter #16055044	670.61
500 WEBWARD LLC	979905	Electrical Billing: 4/29/19-5/30/19, Meter #16055070	1,143.09
ADVENT CAPITAL MANAGEMENT, LLC	1Q19	Management Fees 1st Qtr '19	80,936.27
American Realty Advisors (ARA)	7120	Management Fees 1st Qtr '19	26,000.00
Cogent Communications, Inc.	060119	Internet Services	1,023.00
CREATIVE BREAKTHROUGHS INC	INV1821	Software Maintenance	11,212.50
CREDIT SUISSE ASSET MANAGEMENT, LLC	1Q19	Management Fees 1st Qtr '19	2,358.58
Datawatch Corp.	INVDWCH20826	Software License Renewal	2,594.46
INCOME RESEARCH + MANAGEMENT INC.	28253	Management Fees 1st Qtr '19	48,797.04
PENN CAPITAL MANAGEMENT COMPANY, Inc	1Q19	Management Fees 1st Qtr '19	55,698.39
PLANTE & MORAN	1691013	Financial Statement Audit for year-ended 6/30/19	3,475.00
PROCENTIA, INC.	2320	Procentia Implementation	50,118.75
UHY Advisors MI, Inc.	1300766	Professional IT Services for May 2019	10,425.00
UHY Advisors MI, Inc.	1300767	Professional IT Services for May 2019	51,075.00
WILSHIRE ASSOCIATES INCORPORATED	INV00182152	Consulting Services - 3rd Qtr '19	136,401.37
		Cash Account/Payment Method Total:	15 Documents
			481,929.06
HUNT VEND	CHECK	US	
Vendor Name		Invoice Number	Invoice Description
BAB ASSOCIATES, LLC	2019-0145	Public Relations Services May 2019	2,917.70
CHRYSALIS CONSULTING, LLC	27048	Consulting Services 4/1/19-4/30/19	780.00
CHRYSALIS CONSULTING, LLC	27049	Consulting Services 5/1/19-5/31/19	1,195.63
HUNT VEND	CHECK	US	
Vendor Name		Invoice Number	Invoice Description
CINTAS CORPORATION-300	4023817167	Floor Mats	125.16
DEROY & DEVEREAUX	1Q19	Management Fees 1st Qtr '19	42,828.00
FEDEX	6-567-04476	FedEx Mailing	25.68
FEDEX	6-573-44926	FedEx Mailing	25.74
First CHOICE Coffee Services	621062	Coffee Supplies	125.24
GABRIEL, ROEDER, SMITH & CO	447204	Actuarial Services for May 2019	25,200.00
IRON MOUNTAIN	163903	Data Domain Service	1,320.10
IRON MOUNTAIN	201887640	Storage CDs	923.59
Iron Mountain Records Management	BSJL171	Records Storage	1,664.13
KELLEY CAWTHERNE	10225	Lobbyist Services for June 2019	7,500.00
OFFICE DEPOT	319389911001	Office Supplies	55.79
OFFICE DEPOT	319389912001	Office Supplies	55.38
QUILL CORPORATION	7575433	Office Supplies	311.97
TRANSUNION RISK & ALT DATA SOLUTIONS INC	3712221-201905-TLOxp Research Services		25.00
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	102173412	Printer Maintenance	129.11
		Cash Account/Payment Method Total:	18 Documents
			85,208.22

* Payment amount is estimated based on the effective date 6/17/2019

Re: Approval of Refunds (Accumulated Contributions)

Mark Diaz moved to approve the **Refunds/Accumulated Contributions** list as outlined below. Matthew Gnatke supported. The motion passed unanimously.

LIST NUMBER 3792 - \$309,486.22

LIST NUMBER 3793 - \$780,214.14

Re: Approval of the Frozen Defined Contribution Plan/ Employee Loan Program

Michael Berent moved to approve the **Frozen Defined Contribution Plan/ Employee Loan Program** as outlined below. Matthew Gnatke supported. The motion passed unanimously.

LIST #1 06/13/2019 – \$32,011.00

LIST #2 06/20/2019 – \$53,600.00

Re: Approval of Minutes/Journal of Proceedings No. 3238 – (05/16/2019)

Matthew Gnatke moved to approve the **Minutes/Journal of Proceedings No. 3238 (05/016/2019)** Mark Diaz supported. The motion passed unanimously.

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Kelly Tapper**, addressed the following with the Board of Trustees:

- The Policy Committee will meet on Monday June 24th at 10:00 a.m. and the Legal Committee will meet following the Policy Committee meeting.
- The Focus List has been updated on the agenda and will remain in the agenda
- The NASDAQ Board Portal training for Trustees will begin in July

➤ ***Trustee Steven Watson entered the Boardroom at 9:18 a.m.***

- Due to the Independence Day holiday, the Board will meet once in July: July 18th, 2019

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- Staff met with System Auditors Plante Moran to determine the items needed for the upcoming audit
 - Disability Payments after July 1, 2014
 - The Board of Trustees had discussion regarding the disability payments
- ***Trustee John Naglick excused himself from the Boardroom at 9:23 a.m. and returned at 9:27 a.m.***
- ***Trustee John Serda entered the Boardroom at 9:27 a.m.***
- ***Trustee Megan Moslimani entered the Boardroom at 9:31 a.m.***
- ***Trustee Christa Mclellan excused herself from the Boardroom at 9:39 a.m.***

Re: Hybrid Disability Funding

Matthew Gnatke moved to approve that except as previously accounted for and paid from the Component I plan, all disability payments effective after July 1, 2014, shall be funded from the Component I plan. There will be no retroactive reimbursement to the Component II plan for any past disability payments from the Component II plan. Michael Berent supported. The motion passed by vote as follows:

Yea: Battle, Berent, Diaz, Gnatke, Moslimani, Naglick, Serda, Trozak, Watson and Chairperson Pegg - 11

Nay: James - 1

- **Trustee Naglick updated the Board on the State of Florida hacker situation**

LOBBYIST'S REPORT

Lobbyist, **Dr. Oscar King III**, provided the Board with a legislative update as listed below:

- Road and Budget Proposal
- ***Dr. King excused himself from the Boardroom at 9:44 a.m.***
- ***Trustee Christa Mclellan returned to the Boardroom at 9:44 a.m.***
- ***Trustee Matthew Gnatke excused himself from the Boardroom at 9:52 a.m.***
- ***Trustee Steven Watson excused himself from the Boardroom at 9:55 a.m.***

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, in addition to his formal report, discussed the following matters with the Board:

- The upcoming System audit
- The next Investment Committee meeting will be July 22nd, 2019
- Performance update
- Stout Risius Ross Engagement Letter
 - Chairperson Pegg requested that Stout Risius Ross come before the Board at a later date

Re: SRR (Stout Risius Ross, LLC /STOUT) Engagement: John Naglick moved to approve the engagement of SRR. Mark Diaz supported. The motion passed unanimously.

- ***Trustee Matthew Gnatke returned to the Boardroom at 9:10 a.m.***
- ***Trustee Steven Watson returned to the Boardroom at 10:00 a.m.***

- ***Chief Accounting Officer Ramzee Jackson entered the Boardroom at 10:00 a.m.***

Fiscal Year 2020 Budget Presentation

Chief Accounting Officer Ramzee Jackson presented the Annual Budget for Board Review

Re: Fiscal Year 2020 Budget Approval

Mark Diaz moved to accept and approve the Annual Budget as presented by the Chief Accounting Officer and Staff. John Naglick supported. The motion passed unanimously.

Re: Nomination of Chairperson- Mark Diaz

Resolution Moved By Trustee Gnatke – Supported by Trustee Naglick

RESOLVED, that Trustee **Mark Diaz** is hereby elected to serve as Chairperson of the Board of Trustees of the Police and Fire Retirement System for the term commencing July 1, 2019 and expiring June 30, 2020. The motion passed unanimously.

Re: Nomination of Vice-Chairperson- Michael Berent

Matthew Gnatke moved to nominate Trustee **Michael Berent** as Vice-Chairperson of the Board of Trustees of the Police and Fire Retirement System. Gregory Trozak supported. The motion **failed** by vote as follows:

Yea: Berent, Diaz, Gnatke, Trozak, and Chairperson Pegg - 5

Nay: Battle, James, Mclellan, Moslimani, Naglick, Serda and Watson - 7

Re: Nomination of Vice-Chairperson- Megan Moslimani

Angela James moved to nominate Trustee **Megan Moslimani** as Vice-Chairperson of the Board of Trustees of the Police and Fire Retirement System. Christa Mclellan supported. The motion **passed** by vote as follows:

Yea: Battle, James, Mclellan, Moslimani, Naglick, Serda and Watson - 7

Nay: Berent, Diaz, Gnatke, Trozak, and Chairperson Pegg - 5

PUBLIC RELATIONS ADVISOR REPORT

Public Relations Advisor, **Bruce Babiarz**, discussed the following matters with the Board:

- Policy on FOIA (Freedom of Information Act) Requests
- Mr. Babiarz recommends the Fiscal Year Budget be shared via newsletter or System Website
- Mr. Babiarz will circulate a news release with respect to the newly elected Board Chairperson, Mark Diaz and Incumbent Vice Chairperson, Megan Moslimani

GENERAL COUNSEL'S REPORT

General Counsel, **Ronald King**, in addition to his legal report, discussed the following matters with the Board:

- EDROS for approval
 - Tony Barrett Cotton v Dawn S. Lee-Cotton, Case No. 15-101396-DM Wayne County Circuit Court, Detroit, Michigan
 - Stephanie L. James v Jeremy James, Case No. 2014-112693-DM Wayne County Circuit Court, Detroit, Michigan
 - Tamikia Sherrie Wade v Dattahn Jamal Wade, Sr., Case No. 18-0084-DM Macomb County Circuit Court, Mount Clemens, Michigan
- Environmental Geo-Technologies, LLC
 - Letter of Intent has been extended until the end of July
- Foundation for Detroit's Future
 - Correspondence from the Foundation for Detroit's Future indicating compliance with requirements under the Omnibus Transaction Agreement and authorizing payment to RSCD under Plan of Adjustment of \$18,675,000.00.
- FOIA Request
 - Memorandum from General Counsel related to Steve Schupbach's May 14, 2019 FOIA request

GENERAL COUNSEL'S REPORT-continued

Re: Tony Barrett Cotton v Dawn S. Lee-Cotton, Case No. 15-101396-DM
Wayne County Circuit Court, Detroit, Michigan

Motion By: Trustee Diaz Supported By: Trustee Serda

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of an Eligible Domestic Relations Order ("EDRO"), which supplements a Judgment of Divorce entered on January 8, 2016, wherein Alternate Payee DAWN S. LEE-COTTON is awarded certain rights to the retirement benefits of Participant, TONY BARRETT COTTON who is an active employee participating in the Deferred Retirement Option Program ("DROP");

WHEREAS, the EDRO provides that the Alternate Payee DAWN S. LEE-COTTON receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 50% of the Participant's Retirement Allowance, which has accrued from August 21, 1999 to January 8, 2016. The EDRO further provides that this applies to any duty disability pension or non-disability pension, and

WHEREAS, the Alternate Payee DAWN S. LEE-COTTON IS entitled to receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 50% of the Participant's Retirement Allowance, which has accrued from August 21, 1999 to January 8, 2016, including any duty disability pension or non-duty disability pension, when the Participant is eligible to receive such benefits and as set forth in the EDRO, and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee DAWN S. LEE-COTTON a distribution from the Voluntary Employee Contributions of Participant's Component I benefit account in an amount equal to 50% of the difference between the account balance as of January 8, 2016 and August 21, 1999, including a pro-rata share of any annual adjustments made after January 8, 2016 to reflect gains or losses allocated to the Participant's Voluntary Employee Contributions Account. The EDRO further provides that, if the Participant has an outstanding loan from his Voluntary Employee Contributions Account, the value of the Participant's Voluntary Employee Contributions Account for purposes of the allocation of the shall include any Participant's outstanding loans as of January 8, 2016, and

GENERAL COUNSEL'S REPORT-continued

Re: Tony Barrett Cotton v Dawn S. Lee-Cotton, Case No. 15-101396-DM
Wayne County Circuit Court, Detroit, Michigan

WHEREAS, the Alternate Payee **DAWN S. LEE-COTTON IS** entitled to a distribution from the Voluntary Employee Contributions of Participant's Component I in an amount equal to 50% of the difference of the account balance as of January 8, 2016 and August 21, 1999, including a pro-rata share of any annual adjustments made after January 8, 2016 to reflect gains or losses allocated to the Participant's Voluntary Employee Contributions Account, including any outstanding loans as of January 8, 2016, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **DAWN S. LEE-COTTON** a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 50% of the Participant's retirement pension which has accrued from August 21, 1999 to January 8, 2016. The EDRO further provides that this applies to any duty disability pension or non-disability pension, and

WHEREAS, the Alternate Payee **DAWN S. LEE-COTTON IS** entitled to a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 50% of the Participant's retirement pension which has accrued from August 21, 1999 to January 8, 2016, including any disability or non-disability pensions, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **DAWN S. LEE-COTTON** a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 50% of the difference of the account balance as of January 8, 2016 and August 21, 1999, including a pro-rata share of any annual adjustments made after January 8, 2016 to reflect gains or losses allocated to the Participant's Annuity Savings Fund. The EDRO further provides that, if the Participant has an outstanding loan from his Annuity Savings Fund, the value of the Participant's annuity savings fund for purposes of allocation of assets shall include any Participant's loans outstanding as of January 8, 2016, and

WHEREAS, the Alternate Payee **DAWN S. LEE-COTTON IS** entitled to a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 50% of the difference of the account balance as of January 8, 2016 and August 21, 1999, including a pro-rata share of any annual adjustments made after January 8, 2016 to reflect gains or losses allocated to the Participant's Annuity Savings Fund including any outstanding loans as of January 8, 2016, when the Participant is eligible to receive such benefits

GENERAL COUNSEL'S REPORT-continued

Re: Tony Barrett Cotton v Dawn S. Lee-Cotton, Case No. 15-101396-DM
Wayne County Circuit Court, Detroit, Michigan

and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO provides that the Participant and Alternate Payee share and of the Plan's actuary fees. The Alternate Payee's share of said costs shall be in proportion to her share of the Participant's benefit awarded to the Alternate Payee, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Dawn S. Lee-Cotton, and Participant Tony Barrett Cotton and his counsel, Nicole Sophia-Calhoun Huddleston.

Yea – Berent, Battle, Diaz, Gnatek, James, Mclellan, Moslimani, Naglick, Serda, Trozak, Watson and Chairperson Pegg - 12

Nay – None

GENERAL COUNSEL'S REPORT-continued

Re: Stephanie L. James v Jeremy James, Case No. 2014-112693-DM
Wayne County Circuit Court, Detroit, Michigan

Motion By: Trustee Diaz Supported By: Trustee Serda

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of an Amended Eligible Domestic Relations Order ("Amended EDRO"), which supplements a Judgment of Divorce entered on July 20, 2015, wherein Alternate Payee **STEPHANIE L. JAMES** is awarded certain rights to the retirement benefits of Participant **JEREMY JAMES**, who is an active employee, and

WHEREAS, the Amended EDRO supersedes the EDRO entered by the court on January 4, 2016, and

WHEREAS, the Amended EDRO provides that the Alternate Payee **STEPHANIE L. JAMES** receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 0%, and that all Retirement Allowance benefits shall be deemed the sole and separate property of the Participant, and

WHEREAS, the Alternate Payee **STEPHANIE L. JAMES IS NOT** entitled to receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit, and

WHEREAS, the Amended EDRO awards the Alternate Payee **STEPHANIE L. JAMES** a distribution from the Voluntary Employee Contributions of Participant's Component I benefit in an amount equal to \$0.00 dollars of the accumulated balance under the plan, and that the Participant is awarded 100% of his Voluntary Employee Contribution benefit, and

WHEREAS, the Alternate Payee **STEPHANIE L. JAMES IS NOT** entitled to a distribution from the Voluntary Employee Contributions of Participant's Component I benefit, and

WHEREAS, the Amended EDRO awards the Alternate Payee **STEPHANIE L. JAMES** a distribution in the amount of 0% of any proceeds of the Component I Deferred Retirement Option Plan, and the Participant is awarded 100% of his Component I Deferred Retirement Option Plan, and

GENERAL COUNSEL'S REPORT-continued

Re: Stephanie L. James v Jeremy James, Case No. 2014-112693-DM
Wayne County Circuit Court, Detroit, Michigan

WHEREAS the Alternate Payee **STEPHANIE L. JAMES IS NOT** entitled to a distribution from any proceeds of the Participant's Component I Deferred Retirement Option Plan, and

WHEREAS, the Amended EDRO awards the Alternate Payee **STEPHANIE L. JAMES** a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 0%, and the Participant's Pension portion of the Component II benefit is deemed his sole and separate property, and

WHEREAS, the Alternate Payee **STEPHANIE L. JAMES IS NOT** entitled to a monthly benefit from the Pension portion of Participant's Component II benefit, and

WHEREAS, the EDRO awards the Alternate Payee **STEPHANIE L. JAMES** a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to a distribution in the amount of \$47,000.00 payable in a lump sum, or as the Plan provides, and

WHEREAS, the Alternate Payee **STEPHANIE L. JAMES IS** entitled to a distribution from the Annuity Savings Fund of Participant's Component II benefit in the amount of \$47,000.00, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME and payable in a lump sum or as the plan provides, and

WHEREAS, the Amended EDRO awards the Alternate Payee **STEPHANIE L. JAMES** a distribution in the amount of 0% of any proceeds of the Component II Deferred Retirement Option Plan, and the Participant is awarded 100% of his Component II Deferred Retirement Option Plan, and

WHEREAS the Alternate Payee **STEPHANIE L. JAMES IS NOT** entitled to a distribution from any proceeds of the Participant's Component II Deferred Retirement Option Plan, and

WHEREAS, the Amended EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the Amended EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

GENERAL COUNSEL'S REPORT-continued

Re: Stephanie L. James v Jeremy James, Case No. 2014-112693-DM
Wayne County Circuit Court, Detroit, Michigan

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the Amended EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Stephanie L. James, and Participant Jeremy A. James.

Yea – Berent, Battle, Diaz, Gnatek, James, Mclellan, Moslimani, Naglick, Serda, Trozak, Watson and Chairperson Pegg - 12

Nays – None

GENERAL COUNSEL'S REPORT-continued

**Re: Tamikia Sherrie Wade v Dattahn Jamal Wade, Sr., Case No. 18-0084-DM
Macomb County Circuit Court, Mount Clemens, Michigan**

Motion By: Trustee Diaz Supported By: Trustee Gnatke

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of an Eligible Domestic Relations Order ("EDRO"), which supplements a Judgment of Divorce entered on June 28, 2018, wherein Alternate Payee **Tamikia Sherrie Wade** is awarded certain rights to the retirement benefits of Participant, **DATTAHN JAMAL WADE SR.** who is an active employee, and

WHEREAS, the EDRO provides that the Alternate Payee **Tamikia Sherrie Wade** receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 40% of the martial portion of the Participant's Retirement Allowance, which has accrued as of June 28, 2018. The EDRO further provides that this applies to any duty disability pension or non-disability pension, and

WHEREAS, the Alternate Payee **Tamikia Sherrie Wade IS** entitled to receive a monthly benefit from the Retirement Allowance portion of Participant's Component I benefit in the amount of 40% of the martial portion of the Participant's Retirement Allowance, which has accrued as of June 28, 2018, including any duty disability pension or non-duty disability pension, when the Participant is eligible to receive such benefits and as set forth in the EDRO, and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **Tamikia Sherrie Wade** a distribution from the Voluntary Employee Contributions of Participant's Component I benefit in an amount equal to 40% of the accumulated balance under the plan as of June 28, 2018, including a pro-rata share of any annual adjustments made after June 28, 2018 to reflect gains or losses allocated to the Participant's Voluntary Employee Contributions Account. The EDRO further provides that, if the Participant has an outstanding loan from his Voluntary Employee Contributions Account, the value of the Participant's Voluntary Employee Contributions Account for purposes of the allocation of the shall include any Participant's outstanding loans as of June 28, 2018, and

WHEREAS, the Alternate Payee **Tamikia Sherrie Wade IS** entitled to a distribution from the Voluntary Employee Contributions of Participant's Component I benefit in an amount

GENERAL COUNSEL'S REPORT-continued

**Re: Tamikia Sherrie Wade v Dattahn Jamal Wade, Sr., Case No. 18-0084-DM
Macomb County Circuit Court, Mount Clemens, Michigan**

equal to 40% of the accumulated balance under the plan as of June 28 2018, including a pro-rata share of any annual adjustments made after June 28, 2018 to reflect gains or losses allocated to the Participant's Voluntary Employee Contributions Account, including any outstanding loans as of June 28, 2018, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **Tamikia Sherrie Wade** a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 40% of the marital portion of the Participant's pension that has accrued as of June 28, 2018. The EDRO further provides that this applies to any duty disability pension or non-disability pension, and

WHEREAS, the Alternate Payee **Tamikia Sherrie Wade IS** entitled to a monthly benefit from the Pension portion of Participant's Component II benefit in an amount equal to 40% of the marital portion of the Participant's pension, that has accrued as of June 28, 2018, including any disability or non-disability pensions, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **Tamikia Sherrie Wade** a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 40% of the marital portion of the accumulated balance under the Plan as of June 28, 2018, including a pro-rata share of any annual adjustments made after June 28, 2018 to reflect gains or losses allocated to the Defined Contribution Plan. If the Participant has an outstanding loan from his Annuity Savings Fund, the value of the Participant's Annuity Savings Fund for purposes of the allocation of assets shall include any Participant's loans outstanding as of June 28, 2018, and

WHEREAS, the Alternate Payee **Tamikia Sherrie Wade IS** entitled to a distribution from the Annuity Savings Fund of Participant's Component II benefit equal to 40% of the marital portion of the accumulated balance under the Plan as of June 28, 2018, including a pro-rata share of any annual adjustments made after April 10, 2018 to reflect gains or losses allocated to the Defined Contribution Plan, including any outstanding loans as of June 28, 2018, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

GENERAL COUNSEL'S REPORT-continued

**Re: Tamikia Sherrie Wade v Dattahn Jamal Wade, Sr., Case No. 18-0084-DM
Macomb County Circuit Court, Mount Clemens, Michigan**

WHEREAS, the EDRO provides that the Participant is responsible for payment of all costs of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, et seq., and Public Act 100 of 2002, MCL 38.1681, et seq., as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as a Domestic Relations Order pursuant to the Public Employee Retirement Benefit Protection Act, MCL 38.1681, and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this Resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this Resolution be sent to Alternate Payee Tamikia Sherrie Wade and her counsel, Kathleen Halloran, and Participant Dattahn Jamal Wade Sr.

Yea – Berent, Battle, Diaz, Gnatek, James, Mclellan, Moslimani, Naglick, Serda, Trozak, Watson and Chairperson Pegg - 12

Nays – None

➤ ***Trustee Christa Mclellan excused herself from the Boardroom at 10:37 a.m.***

Re: Entering Into Closed Session

Resolution Moved By: Trustee Diaz– Supported By: Trustee Serda

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enters into Closed Session for the purpose of discussing Attorney/Client privileged matters regarding the following: to discuss pending litigation and real estate transactions and items subject to physician-patient privilege regarding the following: Environmental Geo-Technologies, LLC, and discussion regarding the compensation of the Chief Investment Officer and the Deputy-Chief Investment Officer.

A Roll Call Vote was taken as follows:

Yea – Berent, Battle, Diaz, Gnatek, James, Moslimani, Naglick, Serda, Trozak, Watson and Chairperson Pegg - 11

Nay – None

The Board entered into **Closed Session** at 10:49 a.m.

- ***Trustee Christa Mclellan returned to the Boardroom at 10:52 a.m.***
- ***Trustee Megan Moslimani excused herself from the Boardroom at 11:10 a.m. and returned at 11:14 a.m.***

Re: Open Session

Michael Berent moved to come out of closed session. Matthew Gnatek supported. The motion passed unanimously.

The Board returned to **Open Session** at 11:17 a.m.

NEW BUSINESS/OLD BUSINESS

- Stipend for Trustee phone allowance
 - Cost/Benefit Analysis requested
- Policy Meeting Monday June 24th at 10:00 a.m.

ADJOURNMENT

Matthew Gnatek moved to adjourn meeting #3240; Mark Diaz supported.

Chairperson Pegg adjourned the meeting at 11:23 a.m. The Board's next meeting is scheduled for **Thursday, July 18th, 2019**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director